

M/S Shohan Bastraloy



BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md Saiduzzaman
Age	:	27 years
Address	:	Vill: Nich Para, Post: Kaunia, Upazila: Kaunia, Rangpur.
Mother (<i>Grameen Bank Borrower</i>)	:	Mrs. Shajada Begum, Centre : 20/Mo Loan no.: 2577 Member since : 2006 Existing Loan – Nil , Outstanding- Nil
Education	:	B. A Pass
Experience	:	7 (Seven) years experience in clothing business. Entrepreneur started his business with BDT 140,000 and now it's value is BDT 4,000,000 .

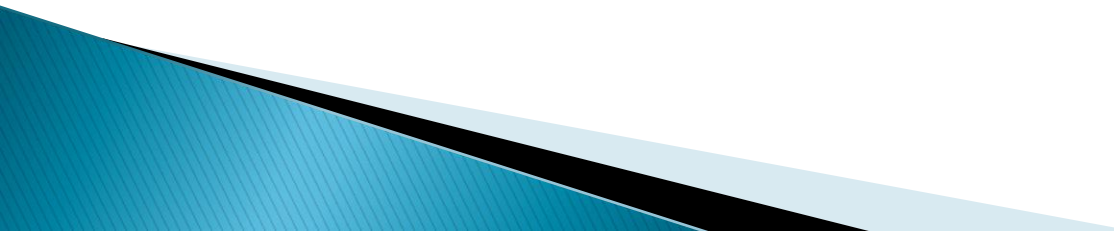
BUSINESS Briefing

- Proposed Business : M/S Shohan Bastraloy
- Shop location: **Kaunia Bazar, Kaunia, Rangpur.**
- Total Investment: **BDT 5,000,000**
 - ❖ Financing
 - ❖ Self BDT 4,000,000 (from existing business)
 - ❖ Required Investment BDT 1,000,000 (as equity)

➤ **Implementation:**

The business is running with different items of cloths specially in trouser, pant, shirt, saree etc. targeting break even point within the **first year** & pay back period is estimated to be within **four years**.

Objectives

- Become a Prominent Nobin Udyokta;
 - Self employment for the entrepreneur;
 - Create employment opportunities for especially for family members of Grameen Bank Borrowers ;
 - Provide quality goods & service to meet demand in the community;
 - Contribute in improving socio-economic condition.
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Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Clothing	2,875,000	1,000,000	3,875,000
Furniture Fixture & Decoration	350,000	-	350,000
Advance for shop	750,000	-	750,000
Generator	25,000	-	25,000
Total Capital	4,000,000	1,000,000	5,000,000

Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	4,000,000	80%
Investor's Investment	1,000,000	20%
Total	5,000,000	100%

Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Clothes (Retail & Whole)	20,000	520,000	6,240,000
Total Sales (A)	20,000	520,000	6,240,000
Less: Variable Cost:			
Estimated Variable Cost of Product Clothes	18,000	468,000	5,616,000
Total Variable Cost (B)	18,000	468,000	5,616,000
Contribution Margin [C=(A-B)]	2,000	52,000	624,000
Less: Fixed Cost:			
Electricity bill		1,000	12,000
Salary-Self		12,000	144,000
Salary-three Assistants		10,000	120,000
<i>Depreciation Expenses</i>		3,333	40,000
Ownership Transfer Fees		-	-
Night Guard		100	1,200
Conveyance Bill		600	7,200
Entertainment Expenses		1,000	12,000
Generator Diesel Cost		1,000	12,000
Other Expenses		1,000	12,000
(D) Total Fixed Cost		30,033	360,400
(C-D) Net Profit:		21,967	263,600

Key assumptions for forecasting

- Sales growth will be 50% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products on an average is 10%.
- Depreciation has been charged on furniture and refrigerator at the rate of 10% and 20% respectively.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales of Clothes (Retail & Whole)	30,000	780,000	9,360,000	33,000	858,000	10,296,000	36,300	943,800	11,325,600	39,930	1,038,180	12,458,160
Total Sales (A)	30,000	780,000	9,360,000	33,000	858,000	10,296,000	36,300	943,800	11,325,600	39,930	1,038,180	12,458,160
Less: Variable Cost:												
Estimated Variable Cost of Product Clothes	27,000	702,000	8,424,000	29,700	772,200	9,266,400	32,670	849,420	10,193,040	35,937	934,362	11,212,344
Total Variable Cost (B)	27,000	702,000	8,424,000	29,700	772,200	9,266,400	32,670	849,420	10,193,040	35,937	934,362	11,212,344
Contribution Margin [C=(A-B)]	3,000	78,000	936,000	3,300	85,800	1,029,600	3,630	94,380	1,132,560	3,993	103,818	1,245,816
Less: Fixed Cost:												
Electricity bill		1,100	13,200		1,200	14,400		1,300	15,600		1,400	16,800
Salary-Self		13,000	156,000		14,000	168,000		15,000	180,000		16,000	192,000
Salary-three Assistants		11,000	132,000		12,000	144,000		13,000	156,000		14,000	168,000
Depreciation Expenses		3,333	40,000		3,333	40,000		3,333	40,000		3,333	40,000
Ownership Transfer Fees		-	-		3,333	40,000		3,333	40,000		10,000	120,000
Night Guard		100	1,200		100	1,200		100	1,200		100	1,200
Conveyance Bill		700	8,400		800	9,600		900	10,800		1,000	12,000
Entertainment Expenses		1,000	12,000		1,000	12,000		1,000	12,000		1,000	12,000
Generator Diesel Cost		1,000	12,000		1,000	12,000		1,000	12,000		1,000	12,000
Other Expenses		1,200	14,400		1,400	16,800		1,600	19,200		1,800	21,600
(D) Total Fixed Cost		32,433	389,200		38,167	458,000		40,567	486,800		49,633	595,600
(C-D) Net Profit:		45,567	546,800		47,633	571,600		53,813	645,760		54,185	650,216
Cumulative Net Profit:			546,800			1,118,400			1,764,160			2,414,376

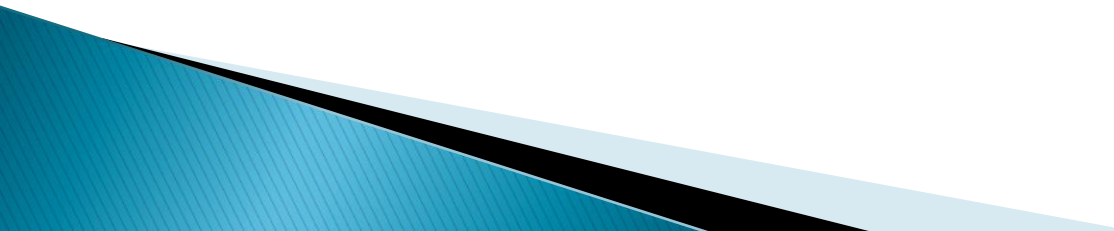
Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
Break Even Point (BEP):	32,433	389,200
	10%	10%
Break Even Point (in BDT)	324,333	3,892,000

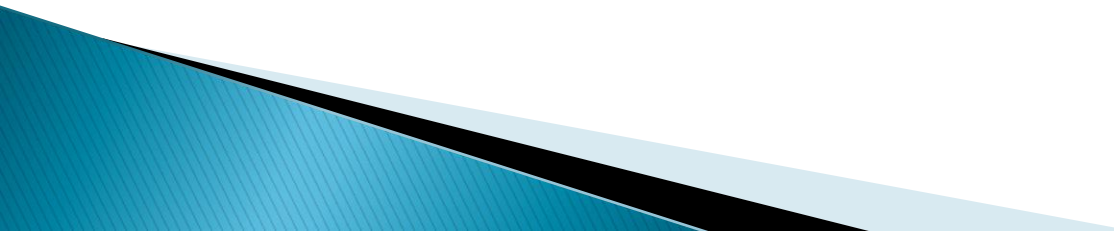
Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Existing Business(BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>
Cash Inflow					
New Investment Infusion by Investor's	-	1,000,000	-	-	-
Net Profit (Share transfer fees added back)	263,600	546,800	611,600	685,760	770,216
Depreciation	40,000	40,000	40,000	40,000	40,000
Opening Balance of Cash Surplus	-	303,600	890,400	1,302,000	1,787,760
Total Cash Inflow	303,600	1,890,400	1,542,000	2,027,760	2,597,976
Cash Outflow					
Purchase of Clothes Products	-	1,000,000	-	-	-
Investment Pay Back including share transfer fees	-	-	240,000	240,000	720,000
Total Cash Outflow	-	1,000,000	240,000	240,000	720,000
Total Cash Surplus	303,600	890,400	1,302,000	1,787,760	1,877,976

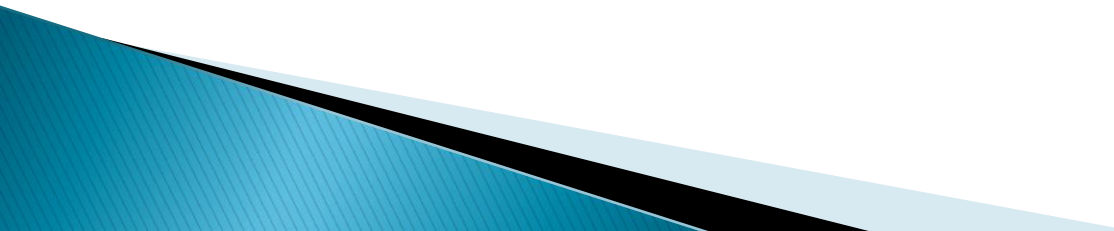
Outcomes

- The business will start with BDT 5,000,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **6,414,000**.
 - The business will serve the community by selling quality and in demand products and strive to improve every year.
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Risk Factors

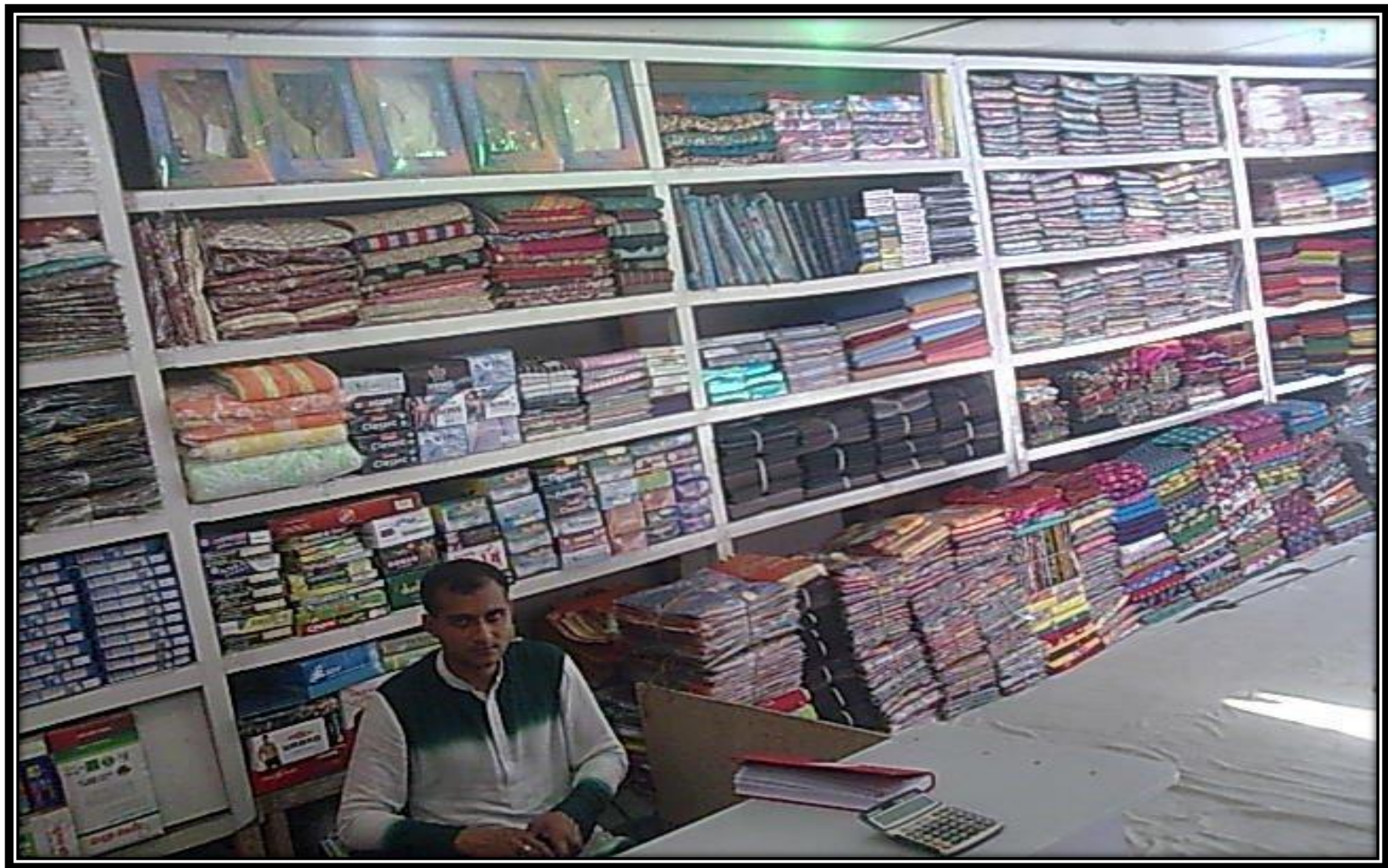
- Theft & Fire
 - Local competition
 - Political Unrest
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Risk Management

- Adequate precautions to be taken
 - Proper security measures will be taken
 - Close market watch to compete
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Picture













Thank You